

Every taxpayer is required to keep adequate and complete records as are necessary to determine the amount of tax liability. See the information below for the record-keeping requirements of different tax types.

- [Sales and Use Tax](#)
- [Withholding Tax](#)
- [Income Tax](#)

Sales and Use Tax

1. All sales of tangible personal property and services that are normally subject to the sales tax made within the state of Utah, regardless of whether the sales are taxable or nontaxable.
2. All receipts from rentals or leases of tangible personal property.
3. All deductions and exemptions allowed by law and claimed in filing sales tax returns. Exemption certificates must be kept documenting sales for resale or sales to tax-exempt organizations (vendors must have contracts with religious charitable organizations to exempt purchases of less than \$1,000 at the point of sale.).
4. Other books and records as the taxpayer's business may require to show completely and adequately the liability of the taxpayer.
5. See [Administrative Rule R865-19S-22](#) for further information.

Withholding Tax

1. Amounts and dates of all wage payments subject to employer taxes.
2. Names, addresses, occupations, and social security numbers of employees.
3. Period of employment (hiring date, termination date).
4. Periods for which employees are paid while absent for illness or injuries and the amount of payment.
5. Employees' W-4 withholding exemption certificates.
6. Copies of returns filed.
7. Dates and amounts of any tax deposits made.

Income Taxes

You must keep records so that you can prepare a complete and accurate tax return. The law does not normally require any special form of records. You should, however, keep all receipts, canceled checks, and other evidence to prove amounts you claim as deductions or credits. Records are

adequate if they show current income on the basis of an annual accounting period. A record keeping system for a small business might include the following:

1. Business checkbooks
2. Summary of cash receipts
3. Check disbursements journal
4. Depreciation record
5. Employee compensation record

Note: Records should be preserved for a period of three years from the date the taxes are due or paid. Records shall be open for examination at any time and without notice by the Tax Commission or its authorized agents. Failure to keep adequate records necessary to establish tax liability may result in the taxpayer's license being revoked.